

Doc. # 5201
ADOPTED 6/29/89

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: FINAL DESIGNATION OF PARMELEE COURT LIMITED
PARTNERSHIP APPROVAL OF PROPOSED DISPOSITION
PARCELS R-12A AND R-12B IN THE SOUTH END URBAN
RENEWAL AREA PROJECT NO. MASS R-56

WHEREAS, the Boston Redevelopment Authority, (hereinafter referred to as the "Authority"), has entered into a contract for loan and capital grant with the Federal Government under Title 1 of the Housing Act of 1949, as amended, which contract provides for financial assistance in the hereinafter identified Project; and

WHEREAS, the Urban Renewal Plan for the South End Urban Renewal Area, Project No. Mass R-56, (hereinafter referred to as the "Project Area"), has been duly reviewed and approved in full compliance with local, State and Federal law; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal projects with the Federal financial assistance under said Title 1, including those prohibiting discrimination because of race, color, sex, religion, or national origin; and

WHEREAS, Parmelee Court Limited Partnership has expressed an interest in and has submitted a satisfactory proposal for the development of Disposition Parcels R-12A and R-12B in the South End Urban Renewal Area; and

WHEREAS, the Authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment:

NOW THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That Parmelee Court Limited Partnership be, and hereby is, finally designated as Redeveloper of Parcels R-12A and R-12B in the South End Urban Renewal Area.
2. That it is hereby determined that Parmelee Court Limited Partnership possesses the qualifications and financial resources necessary to acquire and develop land in accordance with the Urban Renewal Plan and the Project Area.

3. That disposal of said parcel by negotiation is the appropriate method of making the land available for redevelopment.

4. That it is hereby found and determined that the proposed development will not result in significant damage to the environment and further, that all practicable feasible means and measures have been taken to avoid or minimize damage to the environment.

5. That the Director is hereby authorized for and in behalf of the Boston Redevelopment Authority, to execute and deliver a Land Disposition Agreement and Deed conveying Parcels R-12A and R-12B to Parmelee Court Limited Partnership, said documents to be in the Authority's usual form.

6. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(E) of the Housing Act of 1949, as amended, including information with respect to the "Redeveloper's Statement for Public Disclosure" (Federal Form H-6004).

1900

NO. M T A S T

FREE

PORT HAMPTON

PLACE

17, 1914.

FLAG

R-12A

PARMEL E E

TRASM

A-12B

PLAY

89 Northampton Street

**BOSTON MED
CLINIC**

STREET

9636

AGENTS

STREET

HARRISON

STREET

24,085

448

247

4889

COURT

224

3103



THE COMMONWEALTH OF MASSACHUSETTS

MASSACHUSETTS HOUSING FINANCE AGENCY

50 MILK STREET

BOSTON, MASSACHUSETTS 02109 • (617) 451-3480

MARVIN M. SIFLINGER
Executive Director

MAY 18 1989

Mr. Daniel L. Ocasio, President
Parmelee Court Limited Partnership
c/o York Bay Development Corporation
230 West Canton Street
Boston, MA 02116

Re: Parmelee Court II
MHFA No. 89-005-N

Gentlemen:

The Massachusetts Housing Finance Agency ("MHFA") has reviewed your application for financing for a proposed multi-family housing development containing 28 dwelling units of new construction at 89-113 Northampton Street, in Boston (the "Project").

We are pleased to advise you that by vote of the Members on May 9, 1989, MHFA authorized a construction loan commitment to you in the principal amount of \$2,737,284 and a permanent loan commitment to you in the principal amount of \$2,737,284 (the "mortgage loan"). MHFA will be both construction lender and permanent mortgagee and a financing fee of 2% will be charged. The construction is expected to be completed in 14 months from the date on which funds are available after the initial closing of the mortgage loan (the "closing").

MHFA will issue bonds to fund the loan to you. (These bonds are hereafter referred to as "Funding Bonds"). The Funding Bonds will be redeemed no later than thirty-two (32) years after the date of their issue.

The interest rate for the loan to you will be set so as to cover the interest paid by MHFA for the Funding Bonds and any other costs incurred by it for borrowing the funds with which to finance the loan. These costs will include a .5% override to MHFA. The .5% override is a fee required by MHFA and is calculated as .5% of the total loan evidenced by the Mortgage Loan Note to be given by you to MHFA. Depending on the timing and source of

the funds available to MHFA with which to make the loan, the interest rate is subject to change. Your interest rate will be adjusted accordingly.

If, at any time during the financing, the interest rate plus the .5% override is higher than the rate projected in your application attached hereto, $11\% + .5\%$, you will be required to pay the higher rate. In the event that actual financing rates are higher or lower than the estimated rates referenced in this commitment, then the financial impact of such changes will be analyzed by MHFA on a case by case basis.

In no event will the amount of the owner's cash equity be less than 2% of the mortgage loan amount. MHFA reserves the right to conduct an economic review and feasibility study of the loan at any time prior to the closing, and if the actual interest rate is higher than the projected rate to require additional security from you at that time.

The mortgage loan will be payable in full on the same date on which final payment of the Funding Bonds is due, i.e., approximately thirty-two (32) years from the date of issuance of the Funding Bonds.

The aforesaid commitments made herein are expressly subject to the ability of MHFA to issue and sell Funding Bonds in sufficient amounts, and at feasible rates, to secure funds with which to make the loan to you. Notwithstanding the foregoing, the aforesaid commitments shall not grant you any priority with respect to funding from the proceeds of any particular obligations issued by MHFA over any other commitments which may be outstanding or under consideration by MHFA at the time of issuance of such obligations. MHFA, in its sole judgment and in furtherance of the purpose of providing housing pursuant to the provisions of the Act, shall determine which developments shall be funded with the proceeds of a particular issue of obligations issued by MHFA. Moreover, by accepting these commitments, you agree to indemnify and hold harmless MHFA, its Members and employees, against any and all claims, demands, actions, proceedings, costs and expenses incurred by you by reason of or growing out of a decision by the MHFA not to fund the Project.

The aforesaid commitments are subject to your compliance with all the conditions and requirements which MHFA shall, in its sole discretion, determine, including without limitation:

1. The market rate rental (conventional), below-market rental, (cost based rent) and adjusted rental, as defined in Section 6 of the Massachusetts Housing Finance Agency Act, Chapter 708 of the Acts of 1966, as amended, (the "Act") and the Regulations of MHFA, and the actual rentals, for each dwelling unit in the Project, including the attainable rentals, shall be as set forth in the Schedule attached hereto.

2. Not less than 60% of the units in the Project shall be rented at all times to low-income persons or families at or below the adjusted rentals. Rentals received in excess of the below-market rental established for each unit shall be applied, pursuant to such regulations as MHFA shall from time to time make and publish, and subject to any requirement of any other public agency providing subsidy or similar payments, to reduce rentals in accordance with Section 6(c) of the Act.
3. Federal, state or housing authority subsidies adequate to guarantee the requirements set forth in paragraph 2 above, and as shown on the attached rent schedule, shall be obtained by you prior to the closing.
4. The mortgage loan shall be evidenced by one or more promissory notes ("Mortgage Loan Notes"), payable to the order of MHFA and secured by one or more first mortgages to MHFA, in form and substance satisfactory to MHFA, which shall, in the opinion of counsel for MHFA, constitute a legal first lien upon the Project. Prior to the closing, any questions which MHFA may have about the desirability of making the loan, including, without limitation, those relating to property, title, zoning, building codes, assessments, the possession by you of all necessary government approvals to allow you to construct and operate the Project, and related matters, must be resolved, at your expense, in a manner entirely satisfactory to MHFA. Prior to closing, you shall furnish MHFA with all materials and documents, including surveys and plans showing boundaries, location of improvements, conditions and uses of the land, as MHFA may consider useful or necessary to resolve any of the foregoing questions to its satisfaction. You shall deposit with MHFA each month an amount sufficient to pay, before the same become past due, all real estate taxes, insurance, replacement reserve and other escrows required with respect to the Project. Real estate taxes and insurance escrow deposits shall commence on the date of completion. Replacement reserve deposits shall commence 60 days after the completion date.
5. You shall enter into a Regulatory Agreement with MHFA, satisfactory in form and substance to MHFA, including, without limitation, provisions for (a) management of the property after occupancy, (b) compliance with an Agency approved Tenant Selection Plan, (c) procedures relating to changes in the amounts to be charged as rentals, including your compliance with Section 7 of the Act.
6. You shall enter into a Construction Loan Agreement with MHFA, satisfactory in form and substance to MHFA, including, without limitation, provisions for a notice of the times of certain stated events during the period of construction in order to permit inspection of the Project by, or on behalf

of, MHFA at such stated times.

7. You shall enter into a Development Fund Agreement with MHFA, satisfactory in form and substance to MHFA. This Agreement shall include, without limitation, the following provisions:
 - a. You shall agree to provide during construction Letters of Credit and any completion guarantee, both as required by, and funded in form acceptable to, the Executive Director of MHFA. Any funds not required for the benefit of the development will be released to you after the issuance by MHFA of a Certificate of Approval and Acceptance, provided you are not then in default under the Agreement or any of the other contract documents.
 - b. You shall fund a Letter of Credit, payable upon demand of MHFA, during the construction period (the "Construction Letter of Credit"). It shall be in an amount to be determined upon approval of final drawings and specifications. In no event shall the amount be less than 8% of the mortgage amount. The Construction Letter of Credit shall be used either for repayment of the mortgage in case of default or completion of the construction, and released upon the issuance by MHFA of the Certificate of Approval and Acceptance.
 - c. You shall provide MHFA with an operating Letter of Credit (the "Operations Letter of Credit"), in an amount and upon such terms as are acceptable to the Executive Director. In no event shall the initial amount be less than 4% of the mortgage amount. Following the second full fiscal year of operation, the amount of the Operations Letter of Credit shall be reduced by 1% after each year in which no defects, deficits or defaults occur.
8. You shall provide such security instruments, satisfactory in form and substance to MHFA, sufficient to create a first lien on all chattels and personal property used in the construction and operation of the Project and any other documents and instruments which MHFA shall consider necessary or useful to perfect its security interest in any such real or personal property.
9. You shall enter into a Land Use Restriction Agreement with MHFA, satisfactory in form and substance to MHFA, whereby the low and moderate income nature of the Development shall be preserved pursuant to all applicable requirements of the Internal Revenue Code and of the Act.
10. MHFA reserves the right to reject you as the Developer and/or the General Contractor based on any previous failure to adhere to Equal Opportunity ("EO") requirements. You

shall contact the EO Officer of MHFA within five (5) days of the date of your acceptance of this commitment so as to allow the EO Officer to review your and the General Contractor's records of compliance with EO requirements.

11. You and the General Contractor for the Project will enter into the MHFA Minority Hiring Contract prior to closing.
12. Prior to the closing, the Design and Technical Department shall have approved all plans and specifications for the Project.
13. As security for the payment of labor and materials under the construction contract, you shall provide, or have provided a lien bond and payment and performance bonds, in the amount of 100% of the construction contract.
14. You shall enter into a Letter of Understanding with MHFA whereby you agree to provide a fixed percentage of units in the Project available for the physically and/or mentally handicapped.
15. You shall request from MHFA a Schedule of Prevailing Wages. Such schedule will be issued by the Commissioner of Labor and Industries, under the authority of Sections 26, 27, 27(b), 27(c), and 27(d) of the Massachusetts General Laws, Chapter 149, and shall be valid for 120 days. At the closing, a Schedule of Prevailing Wages less than 120 days old must be included in the construction contract. This Schedule will remain in effect for the life of the job. Notwithstanding the foregoing, when a Federal wage schedule is required pursuant to Federal Regulation, for each trade the higher of the Massachusetts wages or the Federal wages must be paid under the construction contract.
16. Mortgage title insurance, at your expense, in standard American Land Title Association Mortgage form, including mechanics' lien coverage and such affirmative insurance coverages as MHFA determines to be necessary, insuring MHFA against loss or damage, issued in the full amount of the mortgage loan must be approved by the Agency prior to closing and the executed Title Policy must be delivered, exactly as approved, before funds can be released. Deeds, including the first arm's length deed and those following, shall be submitted. The real property description of the deed shall be attached to the Title Policy, Mortgage and Lien Bond and shall be reflected in the survey.
17. Prior to closing you shall submit to MHFA a survey of the property on which the Project will be located. Such survey shall have been prepared by a surveyor licensed under the laws of the Commonwealth of Massachusetts, shall be certified to MHFA as having been prepared in accordance with all applicable laws and regulations and shall be satisfactory to

the title insurance company issuing the title insurance for the Project.

18. The Project shall comply with all federal, state, and local environmental laws, regulations, and rules applicable thereto. All approvals and permits, including, without limitation, those required under Massachusetts General Laws Annotated (M.G.L.A.) Chapter 30, Sections 61 and 62, M.G.L.A.-Chapter 111, Section 142 A et. seq. and M.G.L.A. Chapter 21, Section 26 et.seq., and the rules and regulations issued pursuant thereto, shall be obtained prior to closing. Regarding provisions of MGLA Chapter 21E, a certification, as required by the Funding Bond documents, on a form approved by the Agency, shall be executed on or before closing by the Mortgagor and the general partners as individuals, not as general partners, or by another responsible entity if requested by the Agency.
19. Prior to the closing you shall obtain the following insurances in binders and/or certificates of insurance with original signatures of the agents thereon, made out to the Massachusetts Housing Finance Agency, with sixty (60) days' cancellation notice to MHFA required. The binder or the certificate of insurance must be written for a period of not less than 12 months.

- a. Design Architect - Errors and Omissions - 25% of the construction amount or \$1,000,000, whichever is less.
- b. Opining Attorney - Malpractice - 25% of the mortgage amount or \$1,000,000, whichever is less.
- c. Mechanical, Structural, and Electrical Engineers-Errors and Omissions - 25% of the value of the work performed on the job or \$1,000,000, whichever is less.

All of the foregoing insurance must be in full force and effect from the inception of the professional services relating to the Project by the insured.

- d. Perils (fire, etc.) insurance on all properties must be equal to the replacement cost of the building(s) and other improvements. Earthquake coverage is mandatory - \$10,000,000 or 100% of Replacement cost, whichever is less.
- e. Flood coverage is mandatory under conditions as enumerated in 11-B(4)(b) of the attached summary of insurance requirements.
- f. Letter from an insurance company agreeing to provide rental loss insurance at the appropriate time.
- g. Owner's liability insurance - \$1,000,000 combined

single limit for bodily injury and property damage.

- h. Contractor's liability - \$1,000,000 single limit for bodily injury and property damage.
- i. Contractor's statutory coverage for Workmen's Compensation.

Further requirements and information are included in the attached summary of insurance requirements. After closing, the Agency shall update the insurance requirements from time to time and you will be expected to conform to such changes.

- 20. Before closing, certain documents and opinions of counsel, in forms satisfactory to MHFA, shall be submitted with regard to the Mortgagor entity including, but not limited to any partnership agreement and certificate of limited partnership, and all entities with whom the Mortgagor contracts. Any corporate Mortgagor or corporate General Partner shall be documented with the proper opinion of counsel, votes, Certificate of Good Standing from the Massachusetts Revenue, and Certificate of Legal Existence from the Secretary of State's Office (each dated within 30 days of closing) By-Laws and Articles of Organization. Opinions of counsel and the proper authorizing votes are required for the Architect, Construction Company, Management Agent, and the seller of the land, if applicable. An opinion of counsel is required certifying to the authority of the Mortgagor to enter the Contract Documents.

- 21. Any change in any principal of the Mortgagor entity as identified in the enclosed Commitment Proposal to the Agency shall be subject to a vote by the Members and the prior written approval of the Agency. The Development Team members approved as of the date of issuance of this commitment are:

Mortgagor Entity: Parmelee Court Limited Partnership

Principals: York Bay Development Corporation

General Contractor: Suffolk Construction Co., Inc.

Architect: Cogen, Ocasio, Jorrin & Johnson

Management Agent: Independent Managers, Inc.

Attorney: Bernard F. Shadrawy, Jr.

- 22. Syndication of limited partnership interests to other limited partnerships or corporate entities, whether for single developments or in a pool of developments, is strongly discouraged and will be allowed only if satisfactory security is provided to the Agency.

23. Prior to the closing, all requirements of MHFA with regard to debt service and specified escrows on prior MHFA developments of the Developer, or any member of the developer entity, must be current.
24. A State Housing Assistance for Rental Production (SHARP) subsidy award in the amount of \$120,192 has been set aside for this proposal, as shown on the attached mortgage application. Of this amount, \$109,276 represents the base level of SHARP, and will accrue interest at 5% simple; the remaining \$10,916 will accrue the same rate of interest as your mortgage loan.
25. Subject to submission of a tenant location plan acceptable to staff.

SPECIAL CONDITIONS

26. Subject to compliance with all requirements related to any funding mechanism used in connection with providing bonds for this development, including receipt of an appraisal which supports the land value and verifies that the loan does not exceed 90% of the appraised value.
27. Subject to developer agreeing to remit to MHFA 30% of all syndication proceeds (net of sales cost and cost-certifiable project costs and other third-party costs approved by the Agency) above 20% of the mortgage amount.
28. Subject to compliance with SHARP program guidelines including the SHARP equity requirements.
29. Subject to approval of plans and specs by the Design and Technical Department.
30. Subject to agreement to provide a 4% operating letter of credit.
31. Subject to a written commitment from EOCD of 707 subsidy funds sufficient to support low-income units in the event that Section 8 or 707 certificates are not available.
32. Subject to the dedication of 60% of all units to be set aside for low-income families in perpetuity.
33. Subject to the developer providing cash at initial closing an amount totalling \$699,168 to meet the requirements of developer's cash equity.
34. Subject to the developer providing, at initial closing, an irrevocable letter of credit assignable to MHFA to cover fully the ten year projected receipts of City of Boston Linkage funds, or other guarantee(s) acceptable in form and

substance to the Executive Director.

35. Subject to a commitment from EOCD to allocate low income housing tax credits for the project.
36. Subject to Agency review and acceptance of any restrictions and terms imposed as a condition of use of Linkage funds.
37. Subject to contract with an independent architect for purposes of architectural inspection.
38. Subject to acceptance by the management agent of the management fee indicated in the operating budget.
39. Subject to an agreement that the funding bonds for the project may not close within 30 days of the closing of any tax-exempt bonds issued by the Agency to finance any projects planned in conjunction with this project; and that the closing of Agency loans on any project planned in conjunction with this project does not obligate the Agency in any way to close this loan.
40. Subject to receipt by the general partnership entity of a Fidelity Bond, in an amount acceptable to the Executive Director, covering all officers and employees associated with the management of the corporation.
41. Subject to final approval of the investment plan for Linkage funds.
42. Subject to developer providing, at initial closing, an executed master lease for all projected parking income, or other security acceptable in form and substance to the Executive Director.

A financing fee equal to 2% of the loan, all documented and approved land advances, earned architectural fees and closing costs shall be paid by you at the closing and may be deducted from the amount of the mortgage loan.

It is the Agency's intention that a closing on the Project occur within 90 calendar days of the date of approval of this commitment by the Agency Members. In order to assure a clear understanding of MHFA closing requirements, a closing orientation meeting was held on Monday, May 15, 1989, at 3:30 PM, which you attended with your closing attorney. At this meeting, mutually agreed upon target dates for submission of documents were established with the understanding that failure to meet them may result in the cancellation of this commitment.

This commitment shall remain in effect for ninety (90) days following Board approval. Notwithstanding the foregoing, the terms and conditions hereof shall survive the closing as conditions subsequent to MHFA's obligations under the Contract Documents

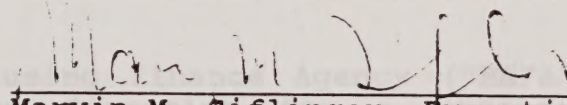
relating to the Project, to the extent they are not inconsistent with the provisions of such Contract Documents.

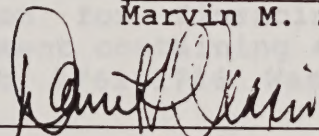
All conditions imposed hereby shall be for the benefit of the Agency and may be waived in whole or in part by the Agency at any time if, in its sole discretion, it deems it advisable to do so. No change, modification, or amendment to this commitment or waiver of its conditions shall be binding upon the Agency unless duly authorized in writing and then only for the specific instance involved.

This commitment may not be assigned by you and shall terminate immediately upon any filing of a petition in bankruptcy by you or acquiescence in or failure by you to discharge within sixty (60) days any petition in bankruptcy brought against you, the appointment of a receiver or trustee of your property, the execution by you of an assignment for the benefit of your creditors, or the entry of a judgment of insolvency against you by any court of competent jurisdiction.

This commitment is valid only if signed and returned to this Agency within 10 days of receipt.

MASSACHUSETTS HOUSING FINANCE AGENCY


Marvin M. Sifflinger, Executive Director

ACCEPTED BY: 

DATE: 5.30.89

Attachment: Insurance Requirements
Loan Commitment Proposal to Agency Members
Mortgage Application Including Rent Schedule



THE COMMONWEALTH OF MASSACHUSETTS

MASSACHUSETTS HOUSING FINANCE AGENCY

50 MILK STREET

BOSTON, MASSACHUSETTS 02109 • (617) 451-3480

MARVIN M. SIFLINGER
Executive Director

MAY 18 1989

Mr. Daniel L. Ocasio, President
Parmelee Court Limited Partnership
c/o York Bay Development Corporation
230 West Canton Street
Boston, MA 02116

Re: Parmelee Court I
MHFA No. 87-041-N

Gentlemen:

The Massachusetts Housing Finance Agency ("MHFA") has reviewed your application for financing for a proposed multi-family housing development containing 46 dwelling units of new construction at 1762-1786 Washington Street, in Boston (the "Project").

We are pleased to advise you that by vote of the Members on May 9, 1989, MHFA authorized a construction loan commitment to you in the principal amount of \$6,281,696 and a permanent loan commitment to you in the principal amount of \$6,281,696 (the "mortgage loan"). MHFA will be both construction lender and permanent mortgagee and a financing fee of 2% will be charged. The construction is expected to be completed in 14 months from the date on which funds are available after the initial closing of the mortgage loan (the "closing").

MHFA will issue bonds to fund the loan to you. (These bonds are hereafter referred to as "Funding Bonds"). The Funding Bonds will be redeemed no later than thirty-two (32) years after the date of their issue.

The interest rate for the loan to you will be set so as to cover the interest paid by MHFA for the Funding Bonds and any other costs incurred by it for borrowing the funds with which to finance the loan. These costs will include a .5% override to MHFA. The .5% override is a fee required by MHFA and is calculated as .5% of the total loan evidenced by the Mortgage Loan Note to be given by you to MHFA. Depending on the timing and source of

the funds available to MHFA with which to make the loan, the interest rate is subject to change. Your interest rate will be adjusted accordingly.

If, at any time during the financing, the interest rate plus the .5% override is higher than the rate projected in your application attached hereto, 8.5% + .5%, you will be required to pay the higher rate. In the event that actual financing rates are higher or lower than the estimated rates referenced in this commitment, then the financial impact of such changes will be analyzed by MHFA on a case by case basis.

In no event will the amount of the owner's cash equity be less than 2% of the mortgage loan amount. MHFA reserves the right to conduct an economic review and feasibility study of the loan at any time prior to the closing, and if the actual interest rate is higher than the projected rate to require additional security from you at that time.

The mortgage loan will be payable in full on the same date on which final payment of the Funding Bonds is due, i.e., approximately thirty-two (32) years from the date of issuance of the Funding Bonds.

The aforesaid commitments made herein are expressly subject to the ability of MHFA to issue and sell Funding Bonds in sufficient amounts, and at feasible rates, to secure funds with which to make the loan to you. Notwithstanding the foregoing, the aforesaid commitments shall not grant you any priority with respect to funding from the proceeds of any particular obligations issued by MHFA over any other commitments which may be outstanding or under consideration by MHFA at the time of issuance of such obligations. MHFA, in its sole judgment and in furtherance of the purpose of providing housing pursuant to the provisions of the Act, shall determine which developments shall be funded with the proceeds of a particular issue of obligations issued by MHFA. Moreover, by accepting these commitments, you agree to indemnify and hold harmless MHFA, its Members and employees, against any and all claims, demands, actions, proceedings, costs and expenses incurred by you by reason of or growing out of a decision by the MHFA not to fund the Project.

The aforesaid commitments are subject to your compliance with all the conditions and requirements which MHFA shall, in its sole discretion, determine, including without limitation:

1. The market rate rental (conventional), below-market rental, (cost based rent) and adjusted rental, as defined in Section 6 of the Massachusetts Housing Finance Agency Act, Chapter 708 of the Acts of 1966, as amended, (the "Act") and the Regulations of MHFA, and the actual rentals, for each dwelling unit in the Project, including the attainable rentals, shall be as set forth in the Schedule attached hereto.

2. Not less than 43% of the units in the Project shall be rented at all times to low-income persons or families at or below the adjusted rentals. Rentals received in excess of the below-market rental established for each unit shall be applied, pursuant to such regulations as MHFA shall from time to time make and publish, and subject to any requirement of any other public agency providing subsidy or similar payments, to reduce rentals in accordance with Section 6(c) of the Act.
3. Federal, state or housing authority subsidies adequate to guarantee the requirements set forth in paragraph 2 above, and as shown on the attached rent schedule, shall be obtained by you prior to the closing.
4. The mortgage loan shall be evidenced by one or more promissory notes ("Mortgage Loan Notes"), payable to the order of MHFA and secured by one or more first mortgages to MHFA, in form and substance satisfactory to MHFA, which shall, in the opinion of counsel for MHFA, constitute a legal first lien upon the Project. Prior to the closing, any questions which MHFA may have about the desirability of making the loan, including, without limitation, those relating to property, title, zoning, building codes, assessments, the possession by you of all necessary government approvals to allow you to construct and operate the Project, and related matters, must be resolved, at your expense, in a manner entirely satisfactory to MHFA. Prior to closing, you shall furnish MHFA with all materials and documents, including surveys and plans showing boundaries, location of improvements, conditions and uses of the land, as MHFA may consider useful or necessary to resolve any of the foregoing questions to its satisfaction. You shall deposit with MHFA each month an amount sufficient to pay, before the same become past due, all real estate taxes, insurance, replacement reserve and other escrows required with respect to the Project. Real estate taxes and insurance escrow deposits shall commence on the date of completion. Replacement reserve deposits shall commence 60 days after the completion date.
5. You shall enter into a Regulatory Agreement with MHFA, satisfactory in form and substance to MHFA, including, without limitation, provisions for (a) management of the property after occupancy, (b) compliance with an Agency approved Tenant Selection Plan, (c) procedures relating to changes in the amounts to be charged as rentals, including your compliance with Section 7 of the Act.
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 - b. You shall fund a Letter of Credit, payable upon demand of MHFA, during the construction period (the "Construction Letter of Credit"). It shall be in an amount to be determined upon approval of final drawings and specifications. In no event shall the amount be less than 8% of the mortgage amount. The Construction Letter of Credit shall be used either for repayment of the mortgage in case of default or completion of the construction, and released upon the issuance by MHFA of the Certificate of Approval and Acceptance.
 - c. You shall provide MHFA with an operating Letter of Credit (the "Operations Letter of Credit"), in an amount and upon such terms as are acceptable to the Executive Director. In no event shall the initial amount be less than 4% of the mortgage amount. Following the second full fiscal year of operation, the amount of the Operations Letter of Credit shall be reduced by 1% after each year in which no defects, deficits or defaults occur.
8. You shall provide such security instruments, satisfactory in form and substance to MHFA, sufficient to create a first lien on all chattels and personal property used in the construction and operation of the Project and any other documents and instruments which MHFA shall consider necessary or useful to perfect its security interest in any such real or personal property.
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shall contact the EO Officer of MHFA within five (5) days of the date of your acceptance of this commitment so as to allow the EO Officer to review your and the General Contractor's records of compliance with EO requirements.

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13. As security for the payment of labor and materials under the construction contract, you shall provide, or have provided a lien bond and payment and performance bonds, in the amount of 100% of the construction contract.
14. You shall enter into a Letter of Understanding with MHFA whereby you agree to provide a fixed percentage of units in the Project available for the physically and/or mentally handicapped.
15. You shall request from MHFA a Schedule of Prevailing Wages. Such schedule will be issued by the Commissioner of Labor and Industries, under the authority of Sections 26, 27, 27(b), 27(c), and 27(d) of the Massachusetts General Laws, Chapter 149, and shall be valid for 120 days. At the closing, a Schedule of Prevailing Wages less than 120 days old must be included in the construction contract. This Schedule will remain in effect for the life of the job. Notwithstanding the foregoing, when a Federal wage schedule is required pursuant to Federal Regulation, for each trade the higher of the Massachusetts wages or the Federal wages must be paid under the construction contract.
16. Mortgage title insurance, at your expense, in standard American Land Title Association Mortgage form, including mechanics' lien coverage and such affirmative insurance coverages as MHFA determines to be necessary, insuring MHFA against loss or damage, issued in the full amount of the mortgage loan must be approved by the Agency prior to closing and the executed Title Policy must be delivered, exactly as approved, before funds can be released. Deeds, including the first arm's length deed and those following, shall be submitted. The real property description of the deed shall be attached to the Title Policy, Mortgage and Lien Bond and shall be reflected in the survey.
17. Prior to closing you shall submit to MHFA a survey of the property on which the Project will be located. Such survey shall have been prepared by a surveyor licensed under the laws of the Commonwealth of Massachusetts, shall be certified to MHFA as having been prepared in accordance with all applicable laws and regulations and shall be satisfactory to

the title insurance company issuing the title insurance for the Project.

18. The Project shall comply with all federal, state, and local environmental laws, regulations, and rules applicable thereto. All approvals and permits, including, without limitation, those required under Massachusetts General Laws Annotated (M.G.L.A.) Chapter 30, Sections 61 and 62, M.G.L.A.-Chapter 111, Section 142 A et. seq. and M.G.L.A. Chapter 21, Section 26 et.seq., and the rules and regulations issued pursuant thereto, shall be obtained prior to closing. Regarding provisions of MGLA Chapter 21E, a certification, as required by the Funding Bond documents, on a form approved by the Agency, shall be executed on or before closing by the Mortgagor and the general partners as individuals, not as general partners, or by another responsible entity if requested by the Agency.

19. Prior to the closing you shall obtain the following insurances in binders and/or certificates of insurance with original signatures of the agents thereon, made out to the Massachusetts Housing Finance Agency, with sixty (60) days' cancellation notice to MHFA required. The binder or the certificate of insurance must be written for a period of not less than 12 months.

- a. Design Architect - Errors and Omissions - 25% of the construction amount or \$1,000,000, whichever is less.
- b. Opining Attorney - Malpractice - 25% of the mortgage amount or \$1,000,000, whichever is less.
- c. Mechanical, Structural, and Electrical Engineers-Errors and Omissions - 25% of the value of the work performed on the job or \$1,000,000, whichever is less.

All of the foregoing insurance must be in full force and effect from the inception of the professional services relating to the Project by the insured.

- d. Perils (fire, etc.) insurance on all properties must be equal to the replacement cost of the building(s) and other improvements. Earthquake coverage is mandatory - \$10,000,000 or 100% of Replacement cost, whichever is less.
- e. Flood coverage is mandatory under conditions as enumerated in 11-B(4)(b) of the attached summary of insurance requirements.
- f. Letter from an insurance company agreeing to provide rental loss insurance at the appropriate time.
- g. Owner's liability insurance - \$1,000,000 combined

single limit for bodily injury and property damage.

- h. Contractor's liability - \$1,000,000 single limit for bodily injury and property damage.
- i. Contractor's statutory coverage for Workmen's Compensation.

Further requirements and information are included in the attached summary of insurance requirements. After closing, the Agency shall update the insurance requirements from time to time and you will be expected to conform to such changes.

20. Before closing, certain documents and opinions of counsel, in forms satisfactory to MHFA, shall be submitted with regard to the Mortgagor entity including, but not limited to any partnership agreement and certificate of limited partnership, and all entities with whom the Mortgagor contracts. Any corporate Mortgagor or corporate General Partner shall be documented with the proper opinion of counsel, votes, Certificate of Good Standing from the Massachusetts Revenue, and Certificate of Legal Existence from the Secretary of State's Office (each dated within 30 days of closing) By-Laws and Articles of Organization. Opinions of counsel and the proper authorizing votes are required for the Architect, Construction Company, Management Agent, and the seller of the land, if applicable. An opinion of counsel is required certifying to the authority of the Mortgagor to enter the Contract Documents.

21. Any change in any principal of the Mortgagor entity as identified in the enclosed Commitment Proposal to the Agency shall be subject to a vote by the Members and the prior written approval of the Agency. The Development Team members approved as of the date of issuance of this commitment are:

Mortgagor Entity: Parmelee Court Limited Partnership

Principals: York Bay Development Corporation

General Contractor: Suffolk Construction Co., Inc.

Architect: Cogen, Ocasio, Jorin & Johnson

Management Agent: Independent Managers, Inc.

Attorney: Bernard F. Shadrawy, Jr.

22. Syndication of limited partnership interests to other limited partnerships or corporate entities, whether for single developments or in a pool of developments, is strongly discouraged and will be allowed only if satisfactory security is provided to the Agency.

23. Prior to the closing, all requirements of MHFA with regard to debt service and specified escrows on prior MHFA developments of the Developer, or any member of the developer entity, must be current.
24. A State Housing Assistance for Rental Production (SHARP) subsidy award in the amount of \$177,144 has been set aside for this proposal, as shown on the attached mortgage application. Of this amount, \$161,054 represents the base level of SHARP, and will accrue interest at 5% simple; the remaining \$16,090 will accrue the same rate of interest as your mortgage loan.
25. Subject to submission of a tenant location plan acceptable to staff.

SPECIAL CONDITIONS

26. Subject to compliance with all requirements related to any funding mechanism used in connection with providing bonds for this development, including receipt of an appraisal which supports the land value and verifies that the loan does not exceed 90% of the appraised value.
27. Subject to developer agreeing to remit to MHFA 30% of all syndication proceeds (net of sales cost and cost-certifiable project costs and other third-party costs approved by the Agency) above 20% of the mortgage amount.
28. Subject to compliance with SHARP program guidelines including the SHARP equity requirements.
29. Subject to approval of plans and specs by the Design and Technical Department.
30. Subject to agreement to provide a 4% operating letter of credit.
31. Subject to a written commitment from EOCD of 707 subsidy funds sufficient to support low-income units in the event that Section 8 or 707 certificates are not available.
32. Subject to the dedication of 43% of all units to be set aside for low-income families in perpetuity.
33. Subject to the developer providing cash at initial closing an amount totalling \$275,970 to meet the requirements of developer's cash equity.
34. Subject to the developer providing, at initial closing, an irrevocable letter of credit assignable to MHFA to cover fully the ten year projected receipts of City of Boston Linkage funds, or other guarantee(s) acceptable in form and substance to the Executive Director.

35. Subject to developer providing at initial closing, an executed master lease for the commercial space in the project, or other guarantees acceptable in form and substance to the Executive Director.
36. Subject to Agency review and acceptance of any restrictions and terms imposed as a condition of use of Linkage funds.
37. Subject to contract with an independent architect for purposes of architectural inspection.
38. Subject to acceptance by the management agent of the management fee indicated in the operating budget.
39. Subject to agreement that the funding bonds for this project may not close within 30 days of the closing of any taxable bonds used to finance any project planned in conjunction with this project; and agreement that a decision by the Agency to close this loan in no way implies an obligation to close any other loan provided by the Agency to finance any project planned in conjunction with this project.
40. Subject to approval by the Agency of a parking agreement that provides sufficient parking spaces to meet zoning requirements at a site within close proximity.
41. Subject to receipt by the general partnership entity of a Fidelity Bond, in an amount acceptable to the Executive Director, covering all officers and employees associated with the management of the corporation.
42. Subject to final approval of the investment plan for Linkage funds.

A financing fee equal to 2% of the loan, all documented and approved land advances, earned architectural fees and closing costs shall be paid by you at the closing and may be deducted from the amount of the mortgage loan.

It is the Agency's intention that a closing on the Project occur within 90 calendar days of the date of approval of this commitment by the Agency Members. In order to assure a clear understanding of MHFA closing requirements, a closing orientation meeting was held on Monday, May 15, 1989, at 3 PM, which you attended with your closing attorney. At this meeting, mutually agreed upon target dates for submission of documents were established with the understanding that failure to meet them may result in the cancellation of this commitment.

This commitment shall remain in effect for ninety (90) days following Board approval. Notwithstanding the foregoing, the terms and conditions hereof shall survive the closing as conditions subsequent to MHFA's obligations under the Contract Documents

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29. Subject to approval of plans and specs by the Design and Technical Department.
30. Subject to agreement to provide a 4% operating letter of credit.
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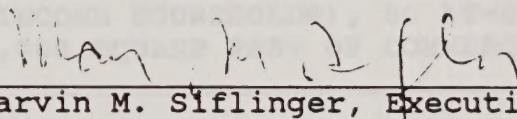
relating to the Project, to the extent they are not inconsistent with the provisions of such Contract Documents.

All conditions imposed hereby shall be for the benefit of the Agency and may be waived in whole or in part by the Agency at any time if, in its sole discretion, it deems it advisable to do so. No change, modification, or amendment to this commitment or waiver of its conditions shall be binding upon the Agency unless duly authorized in writing and then only for the specific instance involved.

This commitment may not be assigned by you and shall terminate immediately upon any filing of a petition in bankruptcy by you or acquiescence in or failure by you to discharge within sixty (60) days any petition in bankruptcy brought against you, the appointment of a receiver or trustee of your property, the execution by you of an assignment for the benefit of your creditors, or the entry of a judgment of insolvency against you by any court of competent jurisdiction.

This commitment is valid only if signed and returned to this Agency within 10 days of receipt.

MASSACHUSETTS HOUSING FINANCE AGENCY


Marvin M. Siflinger, Executive Director

ACCEPTED BY: _____

DATE: _____

Attachment: Insurance Requirements
Loan Commitment Proposal to Agency Members
Mortgage Application Including Rent Schedule

MEMORANDUM

JUNE 29, 1989

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: ANTHONY WILLIAMS, ASSISTANT DIRECTOR FOR NEIGHBORHOOD
HOUSING AND DEVELOPMENT,
THOMAS O'MALLEY, DIRECTOR OF PLANNING AND DEVELOPMENT
FOR THE SOUTH END, AND
LAURA BURNS, PROJECT MANAGER

SUBJECT: SOUTH END URBAN RENEWAL AREA, PROJECT NO. MASS. R-56
FINAL DESIGNATION OF PARMELEE COURT LIMITED PARTNERSHIP
AS REDEVELOPER OF PARCELS R-12A AND R-12B, BOUNDED BY
MASSACHUSETTS AVENUE, NORTHAMPTON STREET AND WASHINGTON
STREET.

SUMMARY: THIS MEMORANDUM REQUESTS THAT THE BOSTON REDEVELOPMENT
AUTHORITY (BRA) GRANT FINAL DESIGNATION TO THE PARMELEE
COURT LIMITED PARTNERSHIP AS REDEVELOPER OF PARCELS R-
12A AND R-12B FOR THE PURPOSES OF CREATING 74 UNITS OF
RENTAL HOUSING (49 OF WHICH WILL BE AFFORDABLE TO LOW-
AND MODERATE-INCOME HOUSEHOLDS), 50 AT-GRADE PARKING
SPACES, AND 6,000 SQUARE FEET OF COMMERCIAL SPACE.

On October 8, 1987, the Boston Redevelopment Authority (BRA) tentatively designated Urban Access and Calvin Johnson Associates as redeveloper of Parcels R-12A, bounded by Washington Street, Northampton Street and Massachusetts Avenue, and R-12B, located at 91-113 Northampton Street. The parcels contain a total of 40,773 square feet, with 23,905 square feet located on Parcel R-12A and 16,868 square feet located on Parcel R-12B. The purpose of the designation was for the developer to construct the project known as Parmelee Court Homes which would provide 74 units of rental housing, 7,952 square feet of commercial space and 54 parking spaces.

On November 2, 1987, the developers, consisting of Daniel Ocasio, Victor Jorin, and Calvin Johnson, were incorporated as the York Bay Development Corporation. The team has since changed its name again to the Parmelee Court Limited Partnership. The development program still includes 74 units, however, design adjustments have reduced the amount of commercial space to 6,000 square feet and the parking spaces to 50 at-grade spaces. Forty-nine of the 74 units will be affordable to low- and moderate-income households.

MF2.41

The project includes eight one-bedroom units, 52 two-bedroom units, and 14 three-bedroom units within two separate structures. The Washington Street building will be a four-story brick structure consisting of 46 units, while the 28-unit Northampton Street structure, consist of a 3 1/2 story, townhouse-style building. The team will purchase an adjacent parcel of land at 89 Northampton Street, and this land will be included with the parcels that will be conveyed to the team by the BRA.

The total development cost for the project is estimated at \$11,867,284. Parmelee Court Homes has received funding from the State Housing Assistance for Rental Production (SHARP) program, the Housing Creation Fund, and allocated tax credits.

The Massachusetts Housing Finance Agency (MHFA) voted on May 9, 1989 to commit mortgage funds to this project in the amount of \$9,018,980. The remaining \$2,848,304 will be financed through syndication proceeds and developer's contribution. A portion of the syndication proceeds depends on compliance with IRS requirements related to the 1986 Tax Act. This will require that one unit in the Washington Street building be placed in service by December 31, 1989. The developer has indicated that should construction not commence by July 1, 1989, this schedule of completion may be infeasible and needed funds may be lost to the project. This would result in a substantial financing gap for this affordable housing project.

The project received Zoning Board of Appeal approval on May 9, 1989, has received preliminary approvals from the Boston Fair Housing Commission, and the Boston Transportation Department, and conforms with the City's Affirmative Jobs Policy. The South End Landmark District Commission voted conceptual design approval on June 6, and June 13, 1989, and BRA staff will continue to work with the developer on design-related issues.

It is, therefore, recommended that the Parmelee Court Limited Partnership be granted final designation as the redeveloper of Parcels R-12A and R-12B, in the South End Urban Renewal Project, Mass. R-56.

An appropriate resolution is attached.

